

Message Text

UNCLASSIFIED

PAGE 01 RIO DE 05112 281513Z

ACTION AGRE-00

INFO OCT-01 ARA-14 ISO-00 AID-05 CIAE-00 COME-00 EB-08

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04

OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 /069 W

-----097414 281530Z /40

P R 281321Z OCT 77

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC PRIORITY 5461

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 5112

DEPT PASS MCCONNELL FAS/USDA

E. O. 11652: N/A

TAGS: EAGR, ETRD; BR

SUBJ: BRAZILIAN COFFEE EXPORTS

REF.: A. RIO 5071. B./ 489 4996

1. ACCORDING TO BRAZILIAN PRESS REPORTS, BRAZILIAN COFFEE INSTITUTE (IBC) PRESIDENT CALAZANS STATED OCTOBER 28 THAT BRAZIL WILL GUARANTEE COFFEE SUPPLIES TO TRADITIONAL BUYERS AT PRICES COHPATIBLE TO THOSE IN THE INTERNATIONAL

MARKET. SPEAKING IN RIO TO GROUP OF BUSINESSMEN, CALAZANS ADMITTED THAT A REASONABLE PRICE FOR BREZILIAN COFFEE WOULD BE IN \$1.50-\$2.50/LB RANGE BUT ONLY IF THERE WERE REAL NEGOTIATIONS WITH FOREIGN BUYERS -- NOT JUST PAPER TRANSACTIONS.

2. CALAZANS EXPLAINED THAT THE CURRENT HIGH (\$3.20/LB)

MINIMUM EXPORT PRICE WAS THE RESULT OF EARLIER RISES IN THE PRICES OF COMPETING TYPES OF COFFEE. SUBSEQUENTLY, THESE UNCLASSIFIED

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PAGE 02 RIO DE 05112 281513Z

PRICES DECLINED, ACCORDING TO CALAZANS, NOT BECAUSE OF

REAL TRANSACTIONS, BUT WAS TO TO MARKET MANIPULATIONS

DURING THE NORMALLY LOW DEMAND SEASON (SUMMER).

3. JORNAL DO BRASIL REPORTED THAT ONE COFFEE TRADER COMMENTED THAT EXPORTS ARE ALREADY MOVING AND FOR OCTOBER COULD REACH 200,000 BAGS -- TEN TIMES THE SEPTEMBER TOTAL.

4. COMMENT: CALAZANS' STATEMENTS CONFIRM THE ACCEPTABILITY TO THE IBC OF "SPECIAL DEALS" (BRAZILIAN COFFEE SOLD AT LESS THAN MINIMUM EXPORT PRICE) IN PRACTICE, IF NOT IN NAME. THIS PUBLIC EFFORT TO JUSTIFY IBC'S ABANDONMENT OF ITS 4-MONTH HOLDOUT AGAINST THE DROP IN WORLD COFFEE PRICES WAS PARTICULARLY NOTABLE SINCE CALAZANS IS NOW UNDER ATTACK BY PRO-GOB NATIONAL ASSEMBLY LEADERS. ARENA DEPUTY (AND PUBLISHER OF INFLUENTIAL BUSINESS DAILY GAZETA MERCANTIL) HERBERT LEVY ADDED HIS VOICE OCTOBER 26 TO GROWING CRITICISMS OF "THE COMPLETE DISORDER IN OUR COFFEE POLICY."
DEXTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, EXPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977RIODE05112
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770396-1352
Format: TEL
From: RIO DE JANEIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771010/aaaaahwy.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: efce4923-c288-dd11-92da-001cc4696bcc
Office: ACTION AGRE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 RIO DE JANEIRO 5071
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 732465
Secure: OPEN
Status: NATIVE
Subject: BRAZILIAN COFFEE EXPORTS
TAGS: EAGR, ETRD, BR
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/efce4923-c288-dd11-92da-001cc4696bcc
Review Markings:
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